



Weekly Brief

December 12, 2023

Capturing Value from GenAI

In my 26 years at BCG, I have never seen a business topic grow as quickly in size and relevance as GenAI.

In the past year, BCG's GenAI leaders have spoken with more than 2,000 C-suite executives and worked with hundreds of clients. They keep hearing the same questions: where is the value, how do we capture it, and how do we think about technology, people, and risk? How, in other words, [can we turn the magic of GenAI into business impact?](#)

Answers to these questions vary depending on the three value plays we see most often.

Deploying GenAI in Everyday Tasks. GenAI can create initial drafts of emails and presentations and summarize meetings much more quickly than humans. It can free up time for higher-order work while delivering substantial productivity gains. At BCG, for example, consultants in a pilot using a suite of GenAI tools are saving up to ten hours a week.

Still, GenAI is not plug and play. Companies need to select and manage a fast-evolving ecosystem of technologies while encouraging employee adoption and the proper use of AI through upskilling.

Reshaping Critical Functions and Processes. Organizations can achieve even greater gains by reshaping customer service, marketing content generation, software development (including

testing and documentation), field service, and engineering. GenAI can deliver 30% to 50% efficiency and effectiveness gains in these areas.

These gains are not guaranteed. They depend on combining GenAI with other AI approaches. BCG's [Fabriq marketing platform](#), for example, relies on predictive AI for product selection and experimentation and on GenAI for automating campaigns and creating content.

As the interplay between machines and humans deepens, companies need to change processes, skills, ways of working, and incentives. To manage risk and respond to emerging regulation such as the EU's A.I. Act, they need to embed [responsible AI principles](#).

Inventing New Business Models. Beyond increasing productivity, GenAI can help organizations reinvent customer experiences, create new services and offerings, and even build new business models. This play promises the greatest long-term competitive advantage. A financial information company, for example, is using the technology to create an insight-generation platform for its clients that it expects will generate \$100 million in new revenue.

New business models will likely require custom systems and strong customer-centric design thinking. A consumer company building a GenAI-powered conversational assistant for customers, for example, is relying on four different large language models and ten databases to deliver the desired user experience.

In these early days of GenAI, a few lessons seem to be enduring:

- Focus on a few high-value transformative initiatives rather than hundreds to ensure visibility.
- Combine GenAI with predictive AI to take advantage of their respective abilities to excel at right brain (creative) and left brain (analytical) powers.

- Focus 10% of your AI effort on algorithms, 20% on the underlying data and technology, and 70% on process re-engineering, upskilling, and other people-related changes.

We are on an exceptionally steep learning curve. BCG is excited to help our clients and the world responsibly explore the vast capabilities and potential of GenAI.

Until next time,



Christoph Schweizer
Chief Executive Officer

Further Reading



[Turning GenAI Magic into Business Impact](#)

The technology is a marvel, but leaders are ready to see results. Here are three value plays organizations should make now.

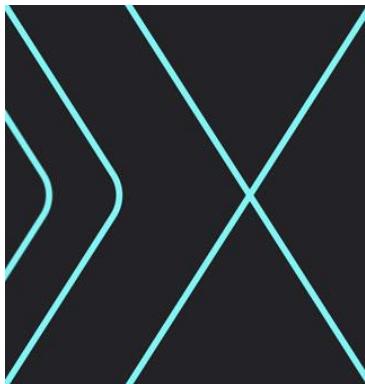
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[What Will Happen to Marketing in the Age of AI?](#)

In this TED Talk, BCG's chief marketing officer Jessica Apotheker explores how marketers can find their niche in the world of AI based on their preference for data or creativity.

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